TRANSFORMING SASKATCHEWAN'S HEALTH CARE SYSTEM

it's time

for greater collaboration and better communication at all levels throughout the system.

for greater courage and commitment to be part of the solution.

for greater curiosity and more questions about the way things have always been done.

In February 2011, the Saskatchewan Health Quality Council (HQC) unveiled its new 2011-14 Strategic Plan, entitled *Accelerating System-Wide Improvement: Transforming Saskatchewan's health care system.* It highlights how HQC plans to work with its many partners within the health care system, over the next three years, to ensure Saskatchewan is providing *the highest quality health care for everyone, every time.* The plan is available at www.hqc.sk.ca under About Us – Strategic Plan.

Quality Insight, a new online reporting tool that shows how Saskatchewan's health care system is performing, was also launched in February 2011. It was developed in collaboration with the health care providers, leaders and patients to ensure data, and the way it is presented contributes to a better, safer health care system for all. Progress on the Saskatchewan Surgical Initiative can be found on Quality Insight at www.qualityinsight.ca.

HQC IS AN INDEPENDENT AGENCY THAT MEASURES AND REPORTS ON QUALITY OF CARE IN SASKATCHEWAN, PROMOTES IMPROVEMENT, AND ENGAGES ITS PARTNERS IN BUILDING A BETTER HEALTH SYSTEM.

OUR VISION:
The highest quality of health care for everyone, every time.

OUR MISSION:
To accelerate improvement in the quality of health care throughout Saskatchewan.

OUR DEFINITION OF QUALITY:
Quality health care is care that is safe, effective, responsive, patient-centred, equitable, and efficient.

OUR WORK IS GUIDED BY THESE PRINCIPLES:

Responsiveness
In a dynamic and ever-changing environment, we respond to system needs and identify emerging opportunities to support our partners in making care better and safer.

Collaboration
Partnerships among those committed to transformative change are critical. We believe open communication and collaboration nurtures relationships and produces results. We encourage full participation, different perspectives, constructive dialogue, and people building the skills to help themselves.

Innovation
To achieve our mission, we must challenge the status quo, question from a base of evidence, and work with those ready to fundamentally redesign the system.

Focus On Improvement
The pursuit of excellence is relentless. Continuous improvement is at the core of the work we do and the way we work; this includes managing in and learning from uncertainty.

Knowledge For Action
Evidence informs and measurement drives all of our activities. We are driven to gather, synthesize, and exchange knowledge, to continually learn, and to put what we learn into practice in a way that engages our key partners.

Transparency
Transparency in processes and outcomes builds trust and respect, and is the foundation for learning and improvement.

Integrity
Our morals and character guide us to act ethically at all times in service of the public good.

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letter **of transmittal**

The Honourable Don McMorris
Minister of Health
Room 302, Legislative Building
REGINA SK S4S 0B3

Dear Mr. McMorris:

I am pleased to submit the Health Quality Council's annual report. This report is for the 2010-2011 fiscal year and is submitted in accordance with the requirements of *The Health Quality Council Act* and *The Tabling of Documents Act*.

Marlene Smadu

Marlene Smadu
Board Chair
Health Quality Council

message from the board chair

Health Quality Council (HQC) has experienced another busy and fulfilling year, one in which engagement of and partnering with clinicians, governors, leaders, managers, the Ministry, and the public has been a continued focus.

We released our new 2011-2014 Strategic Plan *"Accelerating System-wide Improvement: Transforming Saskatchewan's health care system"* in January 2011. This plan was the culmination of months of consultation and discussion with key stakeholders and partners and is closely aligned with the priorities of the health system. We felt it was important to develop a plan that is responsive to the needs and requests of those working within and requiring services from our provincial health care system. During these discussions, we heard that HQC must continue to innovate and lead, identify new opportunities and possibilities, and inspire and support those working within the system. It is a challenge for all of us—and also a wonderful opportunity—to be engaged in such a dynamic environment where there is vision and support to transform our system and increase the expectations of those who access our services, to show them how their tax dollars are adding value and being invested wisely.

This year saw the completion of the Quality as a Business Strategy learning collaborative and the second Chronic Disease Management Collaborative, continued spread of Releasing Time to Care™ throughout the province, further planning and development in a variety of physician engagement initiatives, such as Clinical Practice Redesign™, and high interest in learning opportunities related to quality improvement science and competencies. HQC Board members and staff have participated in a number of key provincial initiatives, such as the Saskatchewan Surgical Initiative, Primary Health Care Redesign, Patient and Family Centred Care development, ongoing development of the province's Strategic and Operational Directions, as well as study tours of high-performing health organizations in the United Kingdom and the United States. All of this important work is done in partnership with others throughout the system. We are grateful for the opportunity to innovate with individuals and organizations that are so keen on accelerating improvement in Saskatchewan's health care system.

The Health Quality Council continues to demonstrate excellence in its key functions of measuring and reporting for improvement. Quality Insight online, developed in collaboration with health regions, various health organizations, and the Ministry of Health, is visible proof of HQC's expertise and leadership in this area and continues to be cited by organizations and jurisdictions in other parts of the world as a model to emulate.

I have served on the HQC Board since its inception in November 2002. In the interests of supporting robust governance and developing the expertise and perspectives of new Board members, I have requested not to be a reappointed when my term expires this year. Over the last nine years, it has been a privilege to be engaged as HQC's Vice-Chair and then later as the Board Chair. I am grateful for the opportunity to work with so many dedicated partners and collaborators throughout the system. I have seen tremendous growth in HQC, as an organization, and incredible innovation and progress in the system during my time on the Board. I extend sincere appreciation to the HQC Board members and staff for their commitment, hard work, and support. I particularly want to acknowledge the tremendous contributions of my colleagues, Dr. Peter Barrett and Steven Lewis who will also be leaving the Board in the near future. Thank you and I look forward to celebrating Health Quality Council's 10th anniversary with all of you in 2012.

Marlene Smadu

Marlene Smadu
Board Chair

message from the CEO

There's a growing sense throughout the province that it's time to significantly transform Saskatchewan's health care system. And what better province to reinvent its health care system than Saskatchewan—the home of Medicare.

Webster's dictionary defines *transform* as the ability to "radically change the form, nature or shape" of something. That's exactly what needs to happen to our provincial health care system; we need to radically change things, not merely chip around the edges.

To achieve this, we're going to need some key ingredients: a desire to communicate and collaborate in new ways, courage and commitment to question the way things have always been done, and a healthy curiosity to try new things and to share our insights along the way.

The 2010-11 fiscal year has provided many exciting opportunities in health system transformation. The Quality as a Business Strategy leadership learning collaborative brought together over 200 health system leaders. It served as a forum for crucial conversations about what it means to operate as "one system" and how this shift in thinking can enhance the overall patient experience.

In addition, I have also witnessed the courage demonstrated by frontline providers—nurses, licensed practical nurses, and other ward staff—to engage in patient-centred initiatives like Releasing Time to Care™ (RTC). This is resulting in more quality time being spent directly with patients, and less on administrative tasks such as looking for supplies. The wave is spreading: we now have more than 70 RTC sites throughout the province.

There is great work taking place in the area of physician engagement and collaboration. Provincial initiatives, such as Clinical Practice Redesign™ and Primary Health Care Redesign, are opening up conversations, as care providers learn to understand their work processes and view the health system through the eyes of patients. This knowledge, coupled with quality improvement (QI) science, is helping providers use evidence and measurement to make patient-centred improvements that can be sustained. Programs like the Quality Improvement Consultant (QIC) Program are helping spread QI science to all four corners of our province. Several graduates from earlier waves of the program, including some physicians, are taking up the QI torch, returning as QIC faculty to share their knowledge with others.

Health Quality Council approached this year with a healthy degree of curiosity, and many others joined us. We are grateful and honoured for the opportunities to travel and learn from high-performing health care systems in Seattle, Alaska, and England. We can't simply replicate these systems in Saskatchewan, but they have offered incredible inspiration and a menu of ideas that we are adapting for our system.

I am energized by the development of our new 2011-2014 Strategic Plan, *Accelerating System-wide Improvement: Transforming Saskatchewan's health care system.* What excites me is the collaborative approach we took in seeking out ideas from our customers about what they need from us over the next three years. While we don't necessarily have the answers or solutions, we do have curiosity and QI knowledge to help our customers create their own solutions. Our plan reinforces our commitment and desire to play a pivotal role in ensuring the highest quality of health care for every person, every time.

None of this would be possible without the curiosity, commitment, and professionalism demonstrated by my HQC colleagues, whom I am privileged to work with on a daily basis.

To echo the sentiment expressed by many of the managers and providers within our provincial health care system: It is time to speed up our improvement efforts, to ensure Saskatchewan patients are receiving the best quality of service available.

B. Brossart

Bonnie Brossart
Chief Executive Officer

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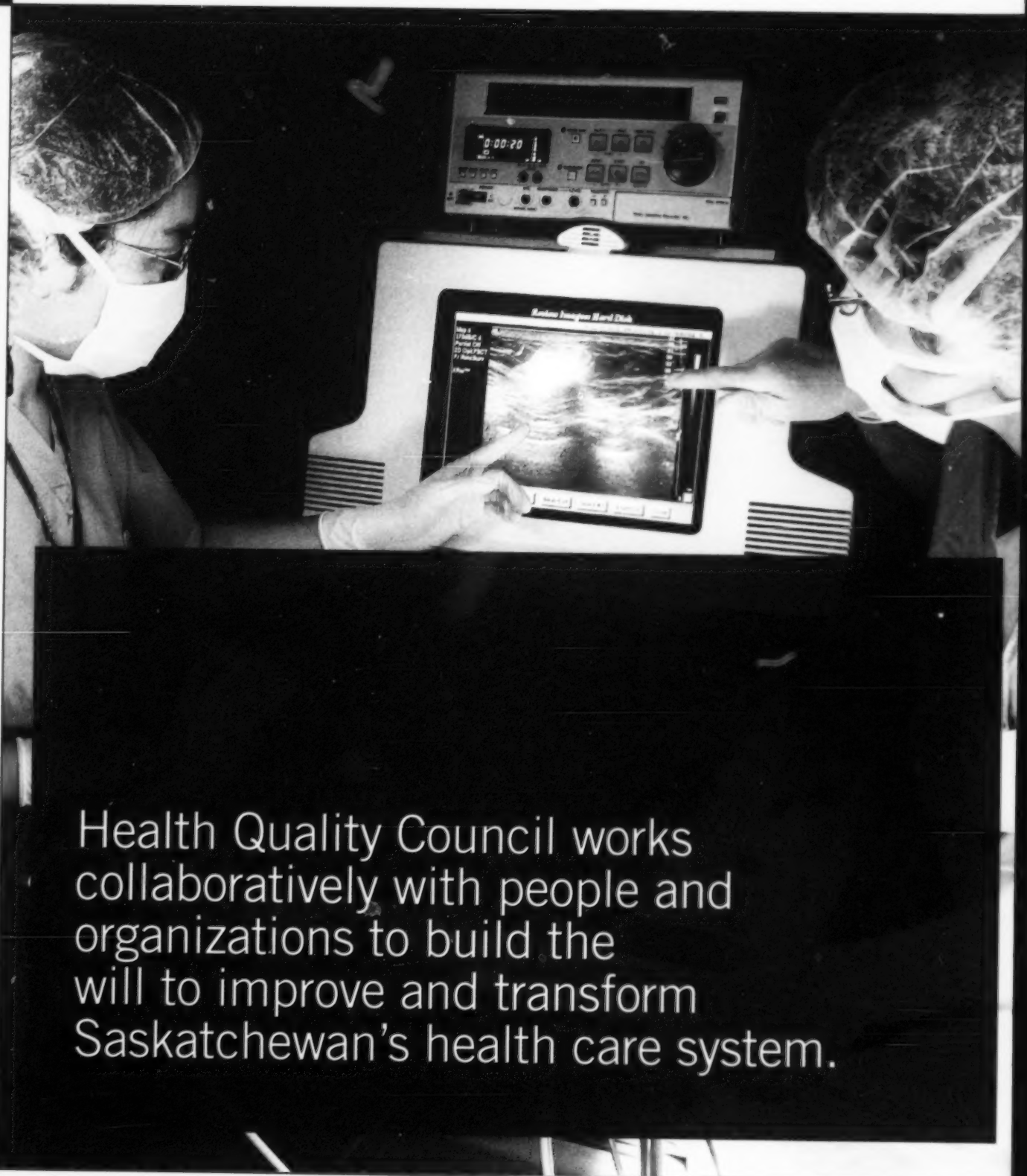


Health Quality Council works collaboratively with people and organizations to build the will to improve and transform Saskatchewan's health care system.

motivate and innovate

We look for new, innovative ways of doing things and push for change based on evidence and the experiences of high-performing health systems. We are committed to developing strong relationships, being responsive to customer needs, and creating opportunities for conversations, learning, and improvement. Our work involves bringing people together to increase our collective ability to inform, influence, and inspire change, and then testing and adapting these improvements for our system.

"Vision without action is a dream. Action without vision is simply passing time. Action with vision is making a positive difference."

Joel Barker, American businessman

Strategic Plan 2011-2014: Accelerating System-Wide Improvement

This quote captures the essence of what the Saskatchewan Health Quality Council (HQC) is hoping to achieve with our new 2011-2014 Strategic Plan: results. We recognize that there is great work happening throughout Saskatchewan's health care system, but we also recognize that more needs to be done if we want to make real and lasting improvements in the lives of patients. This requires a shift in thinking about how we—as individuals and organizations—view ourselves within the system and how we work together. It will take greater collaboration and communication at all levels, greater courage and commitment to be part of the solution, and greater curiosity and more questions about the way things have always been done.

Considerable thought and discussion went into the development of this plan. We purposefully aligned ourselves with the vision and goals of those working within health care and those who depend on it. We're all on the same journey to improve the patient experience and health care quality, but we all have different ideas on how best to "get there." HQC's ultimate goal is to work with our health care partners to develop a compass that points us all in the same direction—ensuring Saskatchewan people receive the highest quality of health care for everyone, every time.

Getting "Inspired" at the Health Care Quality Summit 2011

On April 20 and 21, 2011, more than 650 health care leaders attended Saskatchewan's first Health Care Quality Summit in Regina to learn from North American experts in quality improvement.

The "Inspire" Summit—organized by the Health Quality Council (HQC), Ministry of Health, and the Saskatchewan Association of Health Organizations (SAHO)—was the first major conference in the province focused entirely on quality improvement in health care. It represents an evolution in the former annual SAHO conference. The significance of this new gathering was reflected by the number of people who attended, including Health Minister Don McMorris.

The event began with a keynote address by Maureen Bisognano, President and CEO of the Institute for Healthcare Improvement (IHI). Other keynote speakers included: Dr. John Toussaint, author of On the Mend: Revolutionizing Healthcare to Save Lives and Transform the Industry and CEO of the ThedaCare Center for Healthcare Value (a community owned health system in Wisconsin); and Dr. Richard Shannon, a professor and Chair of the University of Pennsylvania's Department of Medicine, and a pioneer in patient safety.

The most inspiring aspect was the opportunity to recognize and celebrate all the improvement work taking place throughout the province. Throughout the day-and-a-half event, many individuals and teams shared their improvement ideas and experiences. Session topics ranged from frontline improvement case studies to system-wide leadership strategies. Judging by the energy and enthusiasm of participants, the Summit will most likely become an annual, must-attend event where people can become "inspired" by innovations in health care improvements.

More than 650 health care leaders attend Saskatchewan's first Health Care Quality Summit.

Quality as a Business Strategy: Working better, together

For Pat Stuart, one of the key benefits of the Quality as a Business Strategy (QBS) learning collaborative was that it focused leaders' attention on what matters most in health care. "The learning and discussions at QBS have reinforced the need to place the client at the centre of everything we do and to continue working to improve the client experience," says Stuart, who is Vice-President of Quality Management with Prince Albert Parkland Health Region (PAPHR). "We know we need to transform the system, and learning about other transformed systems gave us models to aspire to."

Stuart was one of approximately 200 health care leaders who participated in QBS, a leadership approach that teaches senior managers and board members how to operate as "one" system and how to accelerate the pace for making improvements within their organizations. The QBS philosophy focuses on matching customer wants and needs with services being provided.

She says project management methodologies and strategy maps have been invaluable tools for staying focused on priorities and for making informed decisions about where best to invest resources. But most importantly, she says QBS helped her region explore new ways of listening to their customers and then sharing these stories. In addition to conducting patient surveys, PAPHR also presents patient stories at its quarterly board meetings to ensure patients remain at the centre of all decisions.

QBS involved 31 health regions and health care organizations throughout Saskatchewan. Learning was shared through a series of workshops and action periods. Each workshop focused on a specific topic and included guest speakers from health care organizations that have transformed their systems to become more client-centred. Between workshops, participants examined their organization's processes and activities around quality improvement. Although the learning collaborative ended December 2010, there are plans to continue to build and expand on the leadership learning initiated by QBS.

Evaluating the impact of Releasing Time to Care™

Regina Qu'Appelle's Savanna Giannini is a measurement coordinator, one of five created through a funding partnership between the Ministry of Health and Saskatchewan Union of Nurses. In this role, she's helping nurses measure the impact of Releasing Time To Care™ (RTC), an improvement initiative designed to increase the time nurses spend with patients, by reducing the time they spend on tasks such as paperwork or looking for medical supplies.

Giannini works closely with 15 units in Regina, helping them connect RTC goals with organizational priorities, and teaching them how to develop improvement plans based on the information and data being collected. Her supervisor, Sheila Anderson, says the new position has been invaluable for building measurement capability in the region—for example, showing the difference between an outcome measure and a process measure.

"Our measurement component of RTC has been strengthened because we have a measurement coordinator dedicated to that. She [Giannini] simplifies things and breaks it down at the unit level to

make it really easy for ward leads and people really busy at the unit to do that metric every week. Without measurement, the improvement isn't going to be successful because it's the only way to get buy-in from the rest of your colleagues working and slugging it out at the frontline" says Anderson, Accelerating Excellence Coordinator with Regina Qu'Appelle.

Besides the measurement taking place on RTC units throughout the province, researchers at Health Quality Council and the University of Saskatchewan have begun rigorous testing of the program, thanks to a $500,000 grant from the Canadian Institutes of Health Research and the Saskatchewan Health Research Foundation.

The research study began in July 2010 and involves 33 hospital units (20 hospitals) in Saskatchewan and several hospitals in Ontario. The research team includes researchers from the Universities of Saskatchewan, Alberta, Toronto, and King's College London in the United Kingdom.

RTC™ is a program originally developed by the National Health Service's Institute for Innovation and Improvement in the United Kingdom and is being used to improve patient care around the world. Currently, there are a total of 72 wards/facilities working on Releasing Time to Care™ in Saskatchewan.

Improving Saskatchewan patients' experiences with acute and emergency hospital care

Monthly updates on the results of acute care patient experience surveys are now publicly available on the Quality Insight website: www.qualityinsight.ca. Key indicators from the survey—such as percentage of patients rating their hospital as 10/10—are some of the measures used in tracking progress on provincial strategic and operational targets for improving care. Previously, results were emailed to each health region, and quarterly and annual results were made available on HQC's website.

In the last year, survey results across the province have been very stable. Some regions, however, are beginning to look at information from the surveys in more detail, which suggests managers and providers are recognizing the value of patient feedback in improving care.

Kelly Eddy, a Registered Nurse and Releasing Time to Care™ Ward Lead at the Weyburn General Hospital, says the surveys help keep patients at the core of everything they do: "The survey gives us insight into what the patient has experienced in our hospital. It gives us direction on how to improve direct patient care."

Mary Anne Veroba agrees. She's the Director of Resident and Patient Care at St. Joseph's Hospital in Estevan, and adds that the surveys are helping them identify areas for improvement they didn't realize needed improving.

"Last December, we learned that only 70 percent of patients felt they were treated with respect and felt that things were explained in a way they understood. Respect is a core value here. We want the patient to experience this all the time, every time, so now we are using Releasing Time to Care™ tools to measure and improve this aspect of care," says Veroba.

In January and February, the Health Quality Council—in partnership with Saskatchewan health regions—piloted a patient experience survey in 14 emergency departments throughout the province. The results of these baseline surveys will be available publicly on Quality Insight online by fall 2011.

Learning from other high-performing health care systems

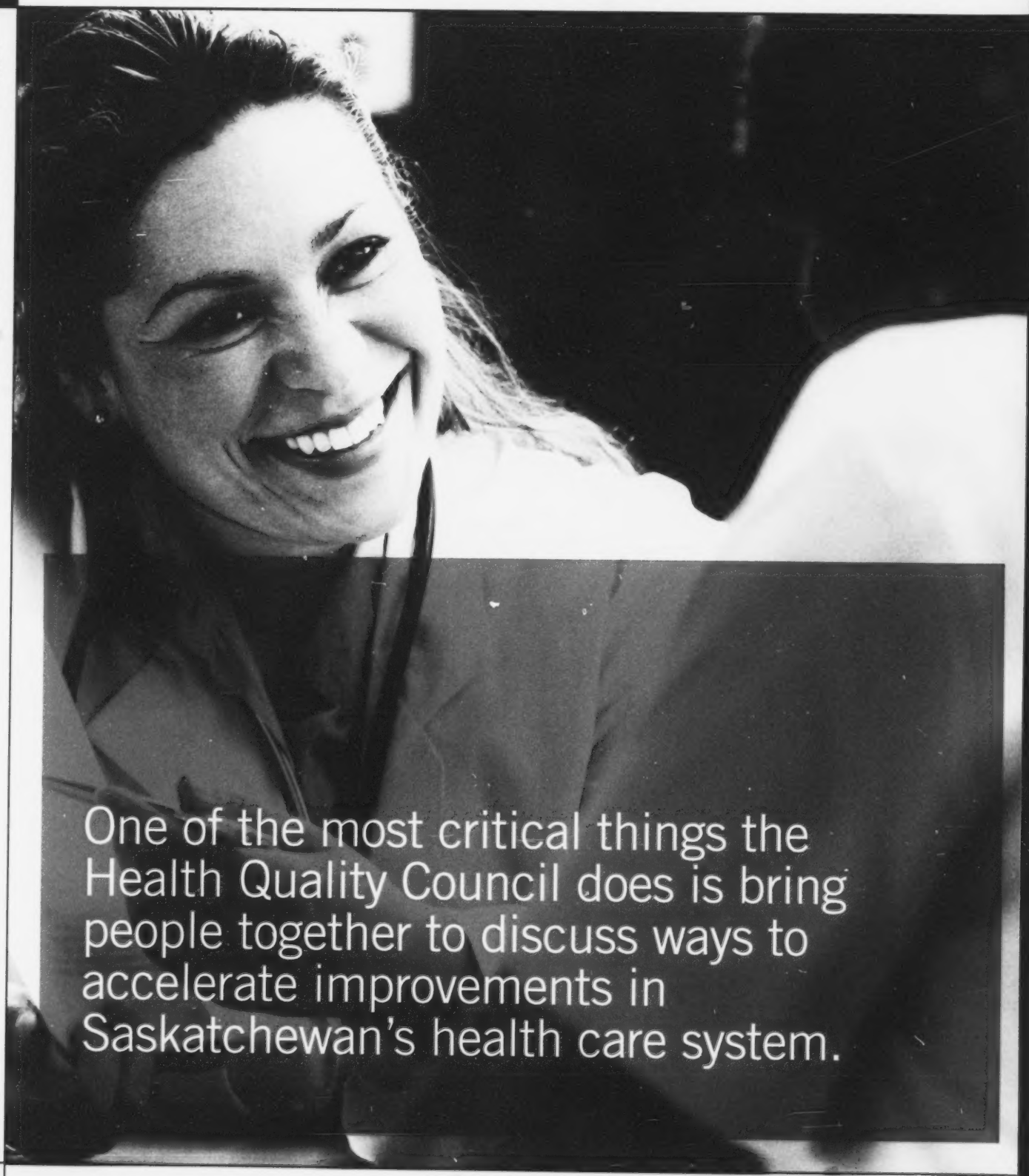
There's an old saying: I hear and I forget. I see and I remember. I do and I understand. Based on this philosophy, Health Quality Council (HQC) led or participated in a number of key study tours of other high-performing health care systems. Insights gained are already being adapted and applied here within Saskatchewan's health care system.

In the fall 2010, a delegation of 21 administrative and clinical leaders, along with representatives from the Ministry of Health and HQC, travelled to England to see what innovative approaches the National Health Service has used to reduce its surgical wait times—from General Practitioner (GP) referral to surgery—to 18 weeks. The opportunity to speak with hospital administrators, surgeons, and operating room teams was invaluable for these leaders, who are working to improve the surgical care experience for patients in this province.

In early 2011, HQC co-sponsored a group of 30 community, physician, and health system leaders to travel to Southcentral Foundation, a primary health care system in Alaska. They learned about how this high-performing primary health care system completely transformed itself based on the values and interests of its "customer-owners," the Alaska native people.

Dr. Brian Geller, Director of Professional Affairs with the Saskatchewan Medical Association, was part of the Alaska study trip. He agrees Saskatchewan can learn a lot from others. In the spring, Geller, along with Dr. Leanne Bettin, two HQC Board members Steven Lewis and Yvonne Shevchuk, and Associate Deputy Minister Max Hendricks visited Group Health Cooperative, a consumer-governed, non-profit health care system in Seattle, Washington. They witnessed how this innovative primary health care system is using data to drive improvements.

"You need to compare the Saskatchewan situation to where Group Health was six years ago. The chaos, the overworked provider pools, the dissatisfied patients, the long waits, the overuse of emergency rooms and specialists...that's where Saskatchewan is now. The only similarity I can come up with is the desire to change. People in Saskatchewan—and not just the electorate or the elected officials, but the providers and everybody in the system—are acknowledging that it's time to change what we've got," says Geller.


One of the most critical things the Health Quality Council does is bring people together to discuss ways to accelerate improvements in Saskatchewan's health care system.

engage and collaborate

We help our partners understand why it's important for us to work collaboratively: to think, plan, and act as one "system" and how failing to do this affects the patient journey. This includes strengthening our existing relationships with those working within the system, as well as building new relationships with patients, family members, and the broader public. We are committed to aligning ourselves with our customers' needs and working with them to develop innovative solutions.

"All learning and improvements are significant, even if they seem small at the time."
CDMC II participant

Clinical Practice Redesign™: Bringing quality improvement to clinical practice

The Associate Family Physicians Clinic in Swift Current is one of the first in the province to participate in a new initiative to help care providers use data and measurement to make improvements that benefit patients and their families.

"We wanted to make a difference in the way we were able to provide prompt care to our patients," says Dr. Rizqi Ibrahim, a physician at the Swift Current Clinic. "We're hoping to see patient access improve to the point of same-day service in our practice," he says, adding that patient and provider satisfaction are critical parts of improving health care quality.

Dr. Ibrahim is one of approximately 125 physicians in the province currently engaged in implementing Clinical Practice Redesign™ (CPR) within their clinics. The goal is to help providers deliver the kind of patient-centred care that first attracted them to the medical profession. CPR™ aims to improve: relationships and communication between family physicians, specialists, care providers, patients, and regional services (e.g. learning to view the system through patient eyes, how to get feedback needed for improvement work, and how to use this information to identify and test areas for change), and processes and procedures within and between practices (e.g. referral processes between physicians, specialists, and regional services, such as mental health, and ways to increase office efficiency so that patients can get an appointment when they need it, not when one opens up). Dr. Jack Silversin is a health system expert with 30 years of experience working in the United States, United Kingdom, and Canada to engage doctors in health system change. He visited Saskatchewan in February 2011 and spoke with physicians and representatives from the medical association, health regions, and Health Ministry.

He says changes like the ones proposed by CPR™ can succeed and be sustained, but only if their technical and adaptive aspects are addressed simultaneously. Technical changes include changes in structures, policies, guidelines, and providing incentives for change. Adaptive changes involve the human side of change and the ways in which behaviours and relationships need to shift to support these, sometimes evoking emotions of loss and frustration, and other times leading to engagement and reward.

CPR™ is being developed in partnership by Health Quality Council, Ministry of Health, Saskatchewan Medical Association, regional health authorities, physicians and office managers, and patients. It is aligned with and supports a number of provincial and regional initiatives, such as the Saskatchewan Surgical Initiative, Primary Health Care Redesign, patient and family centred care, Lean, and physician engagement.

Chair of health quality improvement science coming soon!

The province of Saskatchewan will soon have a chair in quality improvement (QI) science and interprofessional health education—the first of its kind in Canada.

The chair will work with the health sciences colleges and schools, the Health Quality Council (HQC), and provincial health regions to accelerate system-wide improvements. It will play an integral role in preparing students

to provide better care to patients and the community, by applying QI science to their studies and work. Invitations for applications will begin in summer 2011.

The new position is being funded through a partnership between HQC, the University of Saskatchewan's College of Pharmacy and Nutrition, the Saskatchewan Health Research Foundation, and the Ministry of Health.

Quality Improvement and Patient and Family Centred Care

The Quality Improvement Network (QIN) is shifting its focus, to begin exploring ways to use quality improvement (QI) science to create system improvements that benefit patients and their families.

QIN is a group of Saskatchewan improvement leaders who have been meeting quarterly since 2003 to share their knowledge and practical experiences, and to establish coordinated approaches to testing and implementing system-wide improvements in the Saskatchewan health care system.

In the past year, QIN members have decided to align their learning and collaborative activities with provincial priorities, including engaging patients and families in improvement work.

Members say QIN has provided them with a great opportunity to network with others involved in QI, and to share their innovations and challenges in spreading QI throughout the province.

"QIN has been a great support, mentor, and resource goldmine for our Quality Department over the years," says Greg Grant, Director of Patient Safety and Improvement, Cypress Health Region.

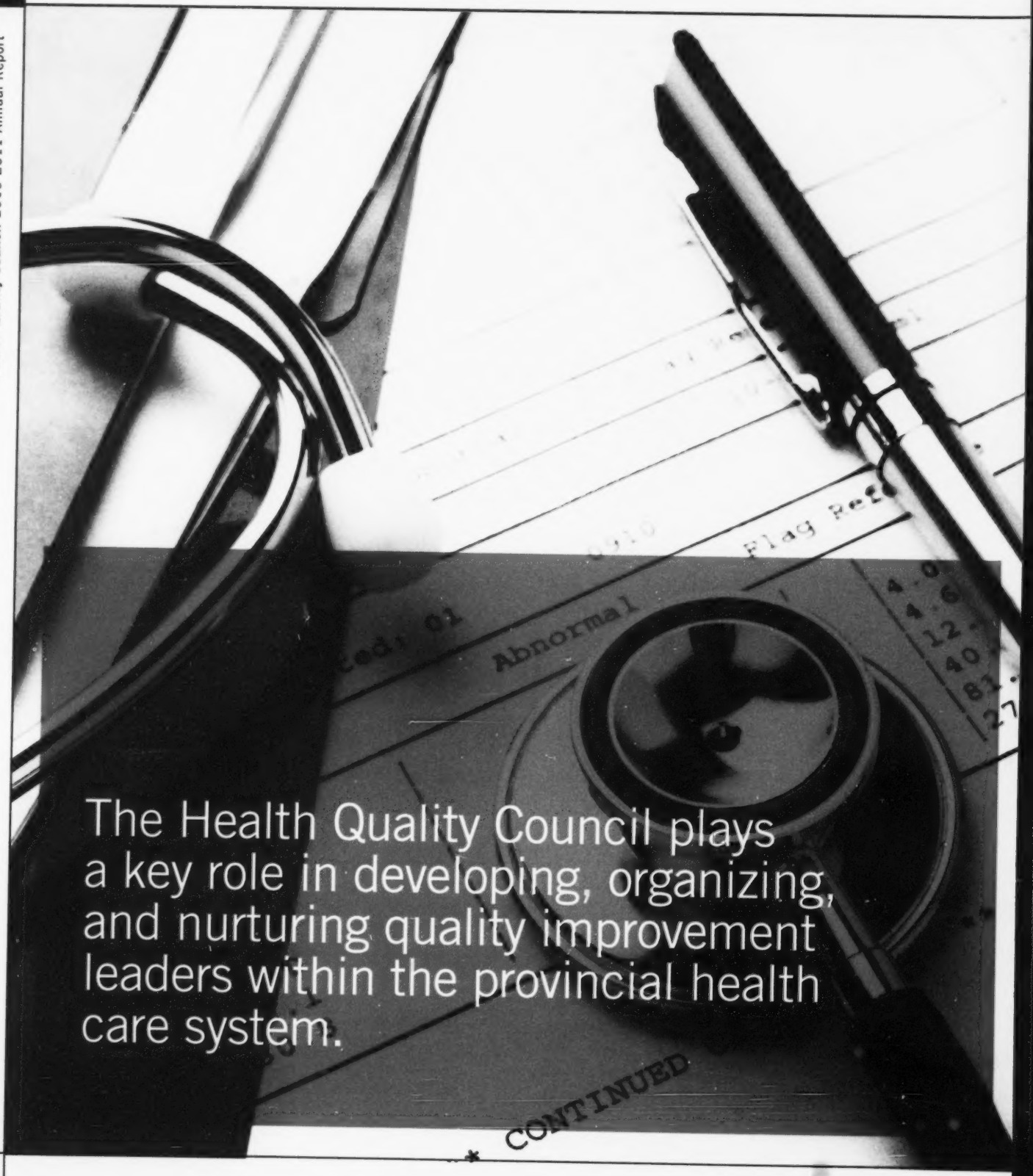
Better care for people living with depression and COPD

Saskatchewan people living with depression and chronic obstructive pulmonary disease (COPD) are now receiving better care, thanks to the work done and relationships built during the Chronic Disease Management Collaborative (CDMC) II.

CDMC II was an 18-month initiative led by Health Quality Council (HQC); it followed CDMC I, which focused on improving care for patients living with coronary artery disease and diabetes.

CDMC II brought together 49 practices—including approximately 47 family doctors and 170 other care providers—and 10 regional improvement teams, and involved thousands of patients. HQC hosted a series of workshops and webinars to share ways to improve care for people with depression and COPD, such as shared-care appointments, and ways to adapt best practices from high-performing systems.

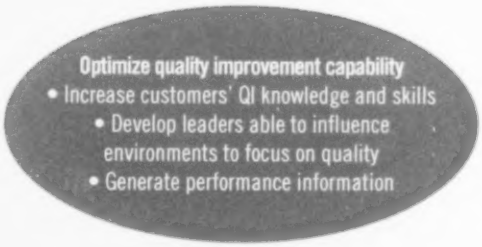
The final workshop was held November 5-6, 2010, but the learning lives on. Collaborative participants were encouraged to see that the new contracts for Saskatchewan physicians, ratified in 2011, include new incentives for carefully managing patients' chronic conditions and for taking steps to improve the quality of care provided. HQC is in the process of developing a final report on key insights learned during CDMC II; it will be available in fall 2011.



The Health Quality Council plays a key role in developing, organizing, and nurturing quality improvement leaders within the provincial health care system.

optimize quality **improvement capability**

We work with people who are passionate about making health care better, providing them with tools and information that help remove barriers to quality improvement. We want to create a shift in how people think about health care measurement, so that managers and providers understand its importance in making informed decisions. To support our partners, HQC continues to build a transparent measurement and reporting system that focuses on improving the health of patients, as well as the overall performance of the health care system.



"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction, and skillful execution; it represents the wise choice of many alternatives."

William A. Foster

optimize quality **improvement capability**

Quality Insight: Measuring. Learning. Improving.

As a Decision Support Consultant with the Cypress Health Region, Brandy Winquist's role is to give leaders, managers, staff, and physicians the information they need to better understand their health system. And now she has access to a great resource that's helping her do just that.

On February 17, 2011, the Health Quality Council (HQC) launched a new website—www.qualityinsight.ca—that provides information on the quality of Saskatchewan health care for the purposes of learning and improvement.

"The beauty of Quality Insight is that it makes knowledge about the performance of the health system more accessible to everyone, which will be more efficient for us," says Winquist. "Wherever we can leverage resources as a province, we should, and Quality Insight online is a great example of this. It will especially benefit smaller health regions where resources for measurement and reporting are more limited."

The Ministry of Health, the Saskatchewan Medical Association, and health regions have acknowledged for some time that to accelerate improvement in health care, we need a measurement and reporting infrastructure that includes indicators of health care quality, measured frequently and followed consistently over time. The Saskatchewan Surgical Initiative, with its system-wide objectives, provides the perfect opportunity to develop that infrastructure in a transparent, user-friendly way. The measures of health system performance in Quality Insight, and the web tool itself, build on the foundational work of the Quality Insight Working Group, which developed a framework for a provincial measurement and reporting program in Saskatchewan.

HQC, in consultation with people who work in health care (providers, patients, and health system leaders), are selecting indicators for Quality Insight to ensure that results, and the way in which results are presented, support their efforts to make care better and safer for patients.

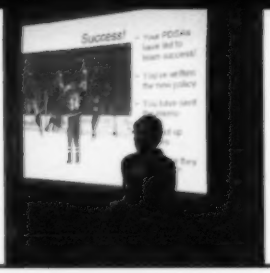
Quality of care slightly better, but improvements must accelerate: HQC report

In 2010, 30% of Saskatchewan patients rated the hospital where they received care as the "best possible hospital," a decline of three percentage points over the last three years. This just one of the key insights in Health Quality Council's (HQC) second report: Quality Insight 2010. The first report was released in 2008 using data collected by HQC since it first began reporting in 2004.

The 2010 report provides an overview on the quality of care delivered in hospitals, in the community for people living with certain chronic diseases, and for seniors taking prescription drugs. The document also describes progress to date in establishing a system for monitoring and reporting on health care quality.

The 2010 Quality Insight Report also provides data that supports many of the patient stories shared with Commissioner Tony Dagnone, as part of the Patient First Review, which was released in October 2009.

The information found in Quality Insight 2010 can also be found online at www.qualityinsight.ca—a new website that reports on the quality of Saskatchewan health care.



Participants share ideas at Quality Improvement Consultant Program.

Physicians helping to spread the science of quality improvement

Physicians play a critical role in creating a health care system that delivers high quality, patient and family centred care. Saskatchewan's Champions for Quality Improvement (CQI) advisory committee was established in August 2009 to encourage physicians to pursue leadership roles and apply quality improvement (QI) science in their daily practices.

The CQI committee comprises representatives from the Ministry of Health, Saskatchewan Medical Association, College of Physicians and Surgeons of Saskatchewan, Saskatchewan Cancer Agency, College of Medicine at the University of Saskatchewan, and the Health Quality Council. It promotes physician engagement in leadership and QI, and provides opportunities for these system leaders to share their knowledge more broadly within their organizations and with key partners.

Over the last year, a number of Saskatchewan physicians participated in study tours, learning events, and presentations, thanks to the support of the CQI advisory committee.

Quality Improvement Consultant Program: from student to teacher

Physicians, dietitians, and managers are just a few of the growing number of health care professionals acquiring the skills and knowledge to lead and support quality improvement (QI) in their work environments.

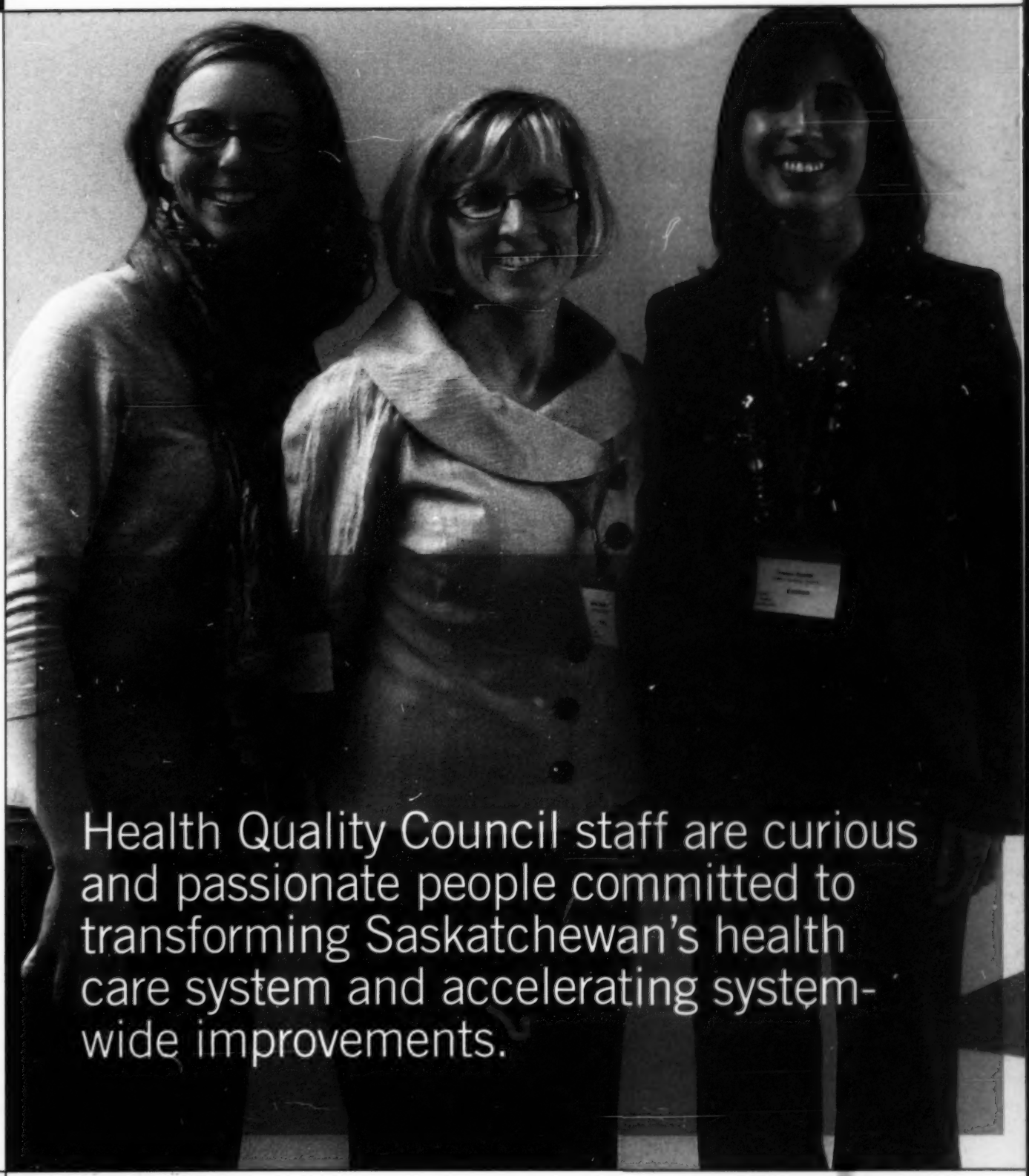
When Julie Johnson, Director of QI with Regina Qu'Appelle Health Region, first joined HQC's Quality Improvement Consultant (QIC) Program – Wave 1, she had been working with a small team on a medication reconciliation in her region. Her QIC project began on one unit and later spread to 25 additional units, seven rural acute care sites, and several ambulatory services.

In 2010-11, she returned to QIC to participate as faculty support for Wave 3. Johnson says QIC is an "advanced" training program for people familiar with QI work but who want to take their skills to the next level.

"The members of our QI team who have attended the nine-month intensive QIC program demonstrate great confidence and heightened skill-sets to work with teams," says Johnson. "This supports our ability to embed other key methodology into our work, including Lean philosophy, culture, and tools."

QIC participants learn from experts in measurement techniques, change management, and QI through practical, hands-on experiences. The skills learned are useful in all care settings—including long-term, community, acute and primary—and can be applied to many kinds of waste (e.g., waits, delays, and errors) and to enhance patient and family experiences.

In 2010-2011, 23 people participated in QIC – Wave 3, including four physicians. To date, a total of 45 participants have graduated from QIC and are applying their QI learning in a variety of ways, some on improvement projects and some, like Johnson, on sharing their knowledge and experience with others.



Health Quality Council staff are curious and passionate people committed to transforming Saskatchewan's health care system and accelerating system-wide improvements.

increase joy in our work

We continue to build relationships and work collaboratively with health care providers and leaders, and with patients and their families to accelerate improvements in health care. We understand that creating a patient-centred culture includes a shift in thinking, so that we view ourselves as ONE health system, rather than a collection of disjointed parts. Achieving this goal will take the collective will of everyone working within the system.

Increase joy in our work
- Ensure a highly competent and engaged workforce
- Provide an environment that optimizes organizational effectiveness

"We are what we repeatedly do. Excellence, then, is not an act, but a habit."
Aristotle

HQC begins its Lean journey

Many of our colleagues within the health care system are using Lean, a philosophy for continuous improvement that defines value from the customer's perspective. To improve our own efficiency and ultimately the value we provide to our customers, Health Quality Council (HQC) began its Lean journey by creating a value stream map around our processes for planning, delivering, and evaluating events (e.g., workshops, teleconferences and webinars).

A value stream map shows the processes along the way—from idea conception to delivery—and highlights any gaps that may be contributing to inefficiencies. During our current value stream process, we learned that although HQC hosts 60-100 webinars and approximately 65 face-to-face events per year, completion from beginning to end can take as long as 271 days—with 13.8 days of "real" client value and approximately 257.2 days of "muda" (a Japanese term for waste). Or at least that's what we first thought, until we took a closer look at how many of those days were actually ENVA or "essential, non-value-added activities."

This became the baseline for the next stop on our journey: future state mapping (finding out where we're at, where we want to go, and what we need to do to get there). Through this process, HQC identified 25 short- and long-term Kaizen events to focus our improvements over the next year, in areas such as event planning, project management, and communication. While a lot of work's been done to date, our efforts to improve continue.

An employer that HELPS you grow

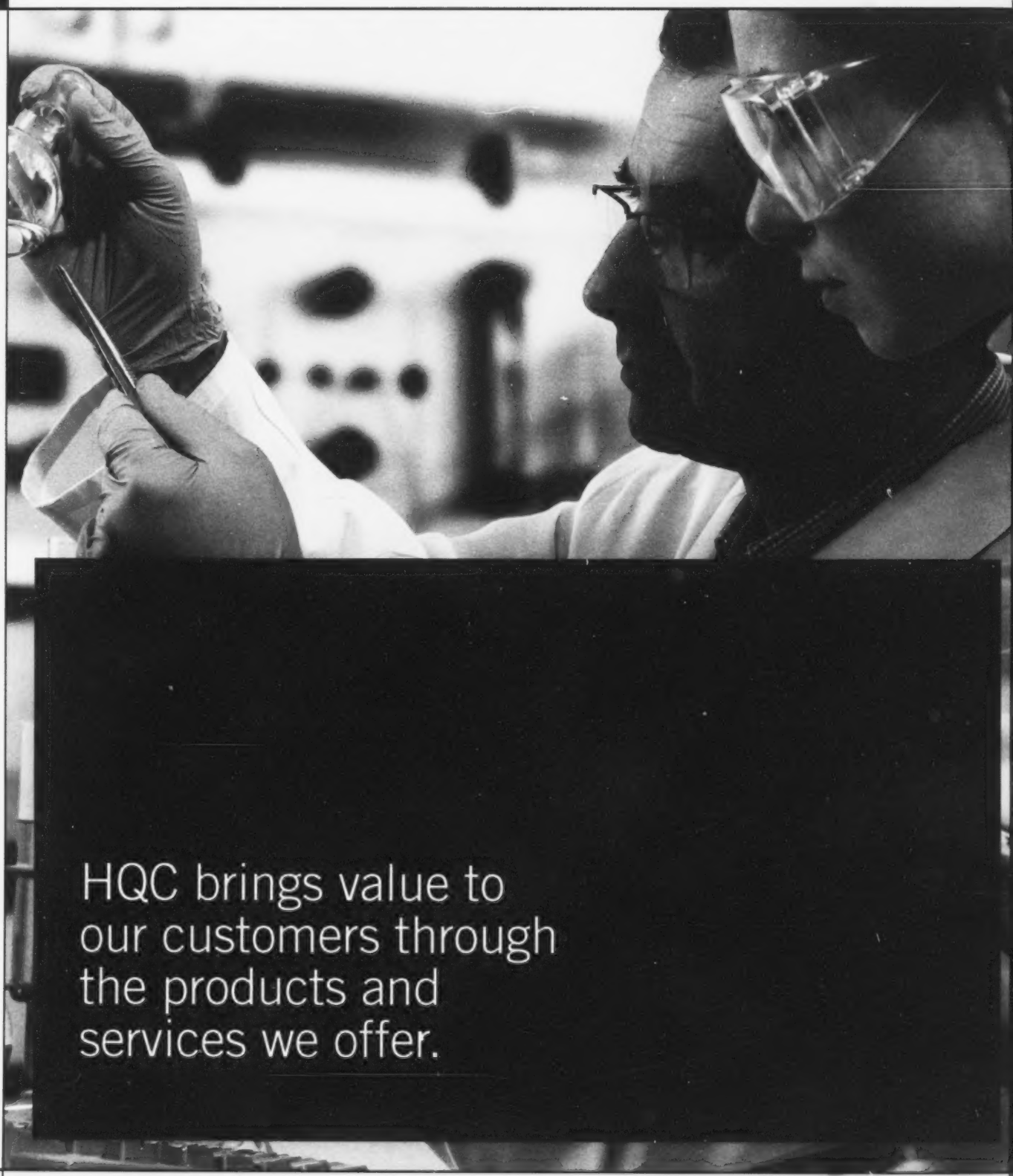
Employee development is an essential element of high-performing workplaces and is one of the greatest investments in continuous improvement that employers can make. That's why we're developing the new **H**ealth Quality Council (HQC) **E**mployee **L**earning and **P**erformance **S**ystem (HELPS): to help staff reach their full potential and, in turn, ensure our customers continue to receive the best quality services possible.

Employee self-assessments and regular conversations between employees and their supervisors contribute to developing timely, and robust learning and development plans for every member of the HQC team. These ongoing discussions also help strengthen the link between people's skills and abilities, and project deliverables and expectations.

Our leadership team spent considerable time in the past year researching other organizations' approaches, consulting with our staff, and developing the HELPS system, in preparation for its launch in late spring of 2011.

HELPS demonstrates HQC's commitment as a learning organization, and will be an important tool to ensure we continue to support and retain our talented team of people.

HQC staff participate in Lean Kaizen to improve processes for planning and hosting learning events.



HQC brings value to our customers through the products and services we offer.

We are committed to developing and implementing sound financial, human resource, and project management practices.

"Quality in a product or service is not what the supplier puts in. It is what the customer gets out. A product is not quality because it is hard to make and costs a lot of money…Customers pay only for what is of use to them and gives them value. Nothing else constitutes quality."

Peter F. Drucker
American educator and writer

Adjunct scientists join Health Quality Council

Health Quality Council (HQC) is excited to be working with three adjunct scientists from the University of Saskatchewan: Lisa Lix, School of Public Health; David Blackburn, College of Pharmacy and Nutrition; and Nazmi Sari, Department of Economics. This past year, all three university professors partnered with HQC on a variety of topics that contribute to our mandate to measure and report on health care quality.

Two of the scientists—Lisa Lix and David Blackburn—are working as collaborators on a national research project to improve prescription drug safety and effectiveness in Canada. Nazmi Sari is working with HQC and the Saskatchewan Lung Association on a project to evaluate the economic impact of the Certified Respiratory Educator program on health care costs, related to Chronic Obstructive Pulmonary Disease.

These adjunct scientists add to HQC's existing expertise and are helping staff further develop their skills in applying measurement and research, to advance health care quality throughout the province.

AWARDS

Quality Insight Online Wins Award

Quality Insight received a "Best in Class" award from Interactive Media Awards (health care category). Quality Insight is an online reporting tool that provides the public, health care providers, managers, and leaders with access to information about how Saskatchewan's health care system is performing, including progress on the Saskatchewan Surgical Initiative. The website was designed by zu, a Saskatoon-based company.

HQC Board Member Wins Award for Excellence in Medical Leadership

Dr. Dennis A. Kendel, Registrar and CEO of the College of Physicians and Surgeons of Saskatchewan, received the 2010 Canadian Society of Physician Executives award for Excellence in Medical Leadership, for championing physician leadership and working collaboratively to improve the quality of care for Saskatchewan residents.

financials

report of management

Management is responsible for the integrity of the financial information reported by the Health Quality Council (HQC). Fulfilling this responsibility requires the preparation and presentation of financial statements and other financial information in accordance with Canadian generally accepted accounting principles that are consistently applied, with any exceptions specifically described in the financial statements.

The accounting system used by the HQC includes an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized;
- the assets of the HQC are protected from loss and unauthorized use; and
- the accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information.

To ensure management meets its responsibilities for financial reporting and internal control, Board members of the HQC discuss audit and financial reporting matters with representatives of management at regular meetings. HQC Board members have also reviewed and approved the financial statements with representatives of management.

The Provincial Auditor of Saskatchewan has audited the HQC's statement of financial position, statement of operations, statement of changes in net financial assets, and statement of cash flows. Her responsibility is to express an opinion on the fairness of management's financial statements. The Auditor's report outlines the scope of her audit and her opinion.

Marlene Smadu
Board Chair

B. Brossart
Bonnie Brossart
Chief Executive Officer

Saskatoon, Saskatchewan
July 15, 2011

auditor's report

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Health Quality Council, which comprise the statement of financial position as at March 31, 2011, and the statement of operations, change in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

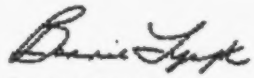
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Health Quality Council as at March 31, 2011, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Bonnie Lysyk, MBA, CA
Provincial Auditor

Regina, Saskatchewan
July 11, 2011

statement of financial position

STATEMENT 1
HEALTH QUALITY COUNCIL

As at March 31	2011	2010
	(thousands of dollars)	
Financial assets		
Cash	$ 10,534	$ 9,517
Accounts receivable	134	53
	10,668	9,570
Liabilities		
Accounts payable	111	257
Payroll liabilities	216	270
Deferred revenues (Note 4)	6,276	5,121
	6,603	5,648
Net financial assets	4,065	3,922
Non-financial assets		
Tangible capital assets (Note 2c & Note 3)	128	89
Prepaid expenses and deposits	114	36
	242	125
Accumulated surplus	$ 4,307	$ 4,047

Contractual commitments (Note 10)

(See accompanying notes to the financial statements)

statement of operations

STATEMENT 2
HEALTH QUALITY COUNCIL

For the year ended March 31

	2011		2010
	Budget (Note 8)	Actual	Actual
	(thousands of dollars)		
Revenue			
Saskatchewan Health - General Revenue Fund			
- Operating Grant	$ 4,729	$ 4,729	$ 5,305
- Accelerating Excellence	2,176	2,536	1,194
- Patient Experience	-	-	508
- Aboriginal Health Transition Fund	145	90	8
Other (Note 5)	200	241	231
Safer Healthcare Now!	-	-	104
Educational	-	-	65
Interest	18	28	17
	7,268	7,624	7,432
Expenses			
Project funding	3,538	2,385	1,428
Grants	463	367	436
Wages and benefits	3,800	3,797	3,700
Travel	302	268	262
Administrative and operating expenses	135	113	118
Honoraria and expenses of the board	180	88	101
Amortization expense	50	80	52
Rent	260	266	268
	8,728	7,364	6,365
Annual surplus (deficit)	$ (1,460)	260	1,067
Accumulated surplus, beginning of year		4,047	2,980
Accumulated surplus, end of year		$ 4,307	$ 4,047

(See accompanying notes to the financial statements)

statement of change in net assets

STATEMENT 3
HEALTH QUALITY COUNCIL

For the year ended March 31	2011	2010
	(thousands of dollars)	
Annual surplus	$ 260	$ 1,067
Acquisition of tangible capital assets	(119)	(45)
Amortization of tangible capital assets	80	52
	(39)	7
Acquisition of prepaid expense	(114)	(36)
Use of prepaid expense	36	39
	(78)	3
Increase in net financial assets	143	1,077
Net financial assets, beginning of year	3,922	2,845
Net financial assets, end of year	$ 4,065	$ 3,922

(See accompanying notes to the financial statements)

statement of cash flows

STATEMENT 4
HEALTH QUALITY COUNCIL

For the year ended March 31	**2011**	**2010**
	(thousands of dollars)	
Operating activities		
Cash received from		
Saskatchewan Health	$ 5,729	$ 5,562
Saskatchewan Medical Association	200	200
Patient & Family Centered Care (PFCC)	666	-
Patient & Provider Quality Improvement Initiative	2,000	-
Interest income	60	32
Safer Healthcare Now!	-	104
Conference	-	40
Unviersity of Saskatchewan - Canadian Institutes of Health Research	59	-
Other	19	105
	8,733	6,043
Cash paid for		
Wages and benefits	3,851	3,626
Supplies and other	478	541
Project funding	2,840	1,504
Aboriginal Health Transition Fund - Grant Funding returned	52	-
Grants	375	5,290
	7,596	10,961
Cash provided by (used in) operating activities	1,137	(4,918)
Capital activities		
Purchases of tangible capital assets	(120)	(45)
Cash used in capital activities	(120)	(45)
Investing activities		
Purchase of investments	-	-
Disposal of investments	-	-
Cash provided by investing activities	-	-
Increase (Decrease) in cash	1,017	(4,963)
Cash, beginning of year	9,517	14,480
Cash, end of year	$ 10,534	$ 9,517

(See accompanying notes to the financial statements)

HEALTH QUALITY COUNCIL
March 31, 2011

1. Establishment of the Council

The *Health Quality Council Act* was given royal assent July 10, 2002 and proclaimed on November 22, 2002. The Health Quality Council (HQC) measures and reports on quality of care in Saskatchewan, promotes continuous quality improvement, and engages its partners in building a better health system. HQC commenced operations on January 1, 2003.

2. Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board (PSAB), HQC is classified as an other government organization. HQC uses Canadian generally accepted accounting principles applicable to governments. The following accounting policies are considered to be significant:

a) Operations

For the operations of HQC, the primary revenue is contributions from the Saskatchewan Ministry of Health (Ministry of Health) – General Revenue Fund. Other sources of revenue include conference registrations, interest and miscellaneous revenue. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year which related expenses are incurred. Interest earned on restricted contributions accrues to the benefit of the restricted program.

b) Measurement Uncertainty

The preparation of financial statements in accordance with PSAB accounting principles requires HQC's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of commitments at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

c) Tangible Capital Assets

Tangible capital assets are reported at cost less accumulated amortization. Purchases valued at $250 or greater are recorded as a capital asset. Leasehold improvements are amortized over the length of the lease; the current lease expires in July 2012. Amortization is recorded on a straight-line basis at rates based on estimated useful lives of the tangible capital assets as follows:

Office Furniture	10 years
Office Equipment	5 years
Computer Hardware	3 years
Computer Software	3 years
Leasehold Improvements	4 years

Normal maintenance and repairs are expensed as incurred.

3. Tangible Capital Assets

The recognition and measurement of tangible capital assets is based on their service potential. These assets will not provide resources to discharge liabilities of HQC.

	Office Furniture & Equipment	Computer Hardware & Software	Leasehold Improvements	2011 Totals	2010 Totals
			(thousands of dollars)		
Opening cost	$ 164	$ 346	$ 61	$ 571	$ 526
Additions	10	109	-	119	45
Disposals	-	-	-	-	-
Closing cost	174	455	61	690	571
Opening accumulated amortization	120	306	56	482	430
Amortization	13	65	2	80	52
Disposals	-	-	-	-	-
Closing accumulated amortization	133	371	58	562	482
Net book value of tangible capital assets	$ 41	$ 84	$ 3	$ 128	$ 89

4. Deferred Revenues

	Beginning balance	Amount received	Amount recognized	Ending balance
		(thousands of dollars)		
Accelerating Excellence	$ 4,521	$ 32	$ 1,431	$ 3,122
Saskatchewan Medical Association	273	200	61	412
Lean Funding	185	-	109	76
Patient - Provider Quality Improvement Initiative	-	2,000	-	2,000
Patient Family-Centered Care Initiative	-	666	-	666
The First Nations and Métis Indicator Initiative	142	(52)	90	-
Totals	$ 5,121	$ 2,846	$ 1,691	$ 6,276

(a) Accelerating Excellence

The Ministry of Health established a $5 million Accelerating Excellence Program (AE) in March 2008. The Ministry has entrusted HQC to manage and coordinate the AE. A signed agreement describes the responsibilities of the Ministry and HQC. The Ministry approves all projects and payments that are to be funded through the AE. The term of this agreement is March 31, 2009 to March 31, 2012.

AE is an investment in redesigning health care delivery in Saskatchewan organizations, by applying approaches and lessons learned elsewhere in the world. The money will be used to:

(a) build capacity for improvement (with leadership, middle management, front-line providers and staff, and physicians),
(b) provide protected time for people to learn and apply their knowledge and tools, and,
(c) build the infrastructure needed to measure the impact of these changes.

The HQC reduced the deferred revenue by $1,431,128 (2010 - $1,193,738) and recorded the same amount as revenue for the related costs incurred. Interest earned of $31,857 on the balance of the deferred revenue for this program was allocated to the program.

Unless otherwise directed by the Province, the HQC will return all unexpended funds to the Province upon expiration of the agreement.

(b) Saskatchewan Medical Association

The Saskatchewan Medical Association (SMA) has provided HQC with a contribution towards the Chronic Disease Management Collaborative (CDMC). SMA has designated the contribution to partially offset the time and expenses incurred by physicians that participate in the next CDMC.

The HQC reduced the deferred revenue by $61,333 (2010 - $124,943) and recorded the same amount as revenue for the related costs incurred.

(c) Lean Funding

In March 2009, HQC received $5 million from the Ministry of Health for payments to the regional health authorities as directed by the Ministry of Health. As per the Ministry's directive HQC distributed $4.8 million to the regional health authorities and the Saskatchewan Cancer Agency. The remaining balance of $200,000 was held by HQC to pay for provincial directives for Lean objectives.

The HQC reduced the remaining deferred revenue by $109,107 (2010 - $15,084) and recorded the same amount as revenue for the related costs incurred.

(d) Patient - Provider Quality Improvement Initiative

In March 2011, HQC received $2 million from the Ministry of Health to support further development and deployment of the Ministry's quality improvement priorities. An agreement on strategic priorities is required prior to these funds being accessed by HQC.

(e) Patient Family Centered Care Initiative

In March 2011, HQC received $666,000 from the Ministry of Health to support the adoption of patient and family centered care (PFCC) in Saskatchewan. The funding is targeted at a number of initiatives and it is expected that the total amount of this funding will be spent by March 31, 2013. In the event that there are unspent funds as of March 31, 2013, the Ministry and HQC will determine how these funds will be used.

(f) The First Nations and Métis Indicator Initiative

The Ministry of Health and HQC have made an agreement for HQC to undertake the comprehensive project titled "The First Nations and Métis Indicator Initiative." The project began on March 23, 2009 and ended on March 31, 2011. The objectives of the project are:

(a) provide an information tool for First Nations and Métis health system leaders to help guide decisions on health care services and the population they serve, and
(b) develop a First Nations and Métis health indicator framework or frameworks that will look at each population separately.

HQC returned unspent funds to the Ministry of $51,668 at the expiration of the agreement.

The HQC reduced the deferred revenue by $90,295 (2010 - $8,037) and recorded the same amount as revenue for the related costs incurred.

Government transfers with restrictions are recorded as deferred revenue in accordance with the Restricted Assets and Revenues section of the PSAB Handbook. The Restricted Assets and Revenue Section will no longer apply to government transfers effective with the implementation of the new Government Transfers section of the PSAB Handbook. HQC is currently examining the impact of implementing the new Government Transfers section effective April 1, 2011. The new Government Transfers section is required to be implemented by April 1, 2012.

5. Other Income

Other income recorded by HQC is comprised of various miscellaneous income (e.g., cost recoveries and honorariums).

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards, and commissions related to HQC by virtue of common control by the Government of Saskatchewan, and non-crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Other transactions with related parties and amounts due to or from them are described separately in these financial statements and notes thereto.

Routine operating transactions with related parties are recorded at the agreed upon rates charged by those organizations and are settled on normal trade terms.

HQC pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

	2011	(thousands of dollars)	2010
Revenue			
Regional Health Authorities	$ 39		$ 53
Saskatchewan Cancer Agency	-		5
Saskatchewan Health Information Resources Partnership	8		-
Expenses			
Capital Pension Plan	217		179
Providence Place for Holistic Health Incorporated	30		-
Regional Health Authorities	278		388
Saskatchewan Health Information Network	-		1
Saskatchewan Ministry of Finance	70		21
Saskatchewan Opportunities Corporation (operating as Innovation Place)	332		287
Saskatoon Community Clinic	2		3
Saskatoon Convalescent Home	30		-
SaskTel	14		13
University of Saskatchewan	5		12
Workers' Compensation Board	8		-
Other Payables (Lean - Note 4c)			
Regional Health Authorities	-		4,561
Saskatchewan Cancer Agency	-		239
Accounts Payable			
Regional Health Authorities	-		5
Saskatchewan Opportunities Corporation (operating as Innovation Place)	-		2
Saskatoon Community Clinic	-		2
University of Saskatchewan	-		1
Accounts Receivable			
Ministry of Health	4		9
Regional Health Authorities	31		9
Saskatchewan Opportunities Corporation (operating as Innovation Place)	9		-
Saskatchewan Association of Health Organizations	-		3
University of Saskatchewan	-		4

7. Financial Instruments

HQC has the following financial instruments: accounts receivable, accounts payable, and payroll liabilities. The following paragraphs disclose the significant aspects of these financial instruments. HQC has policies and procedures in place to mitigate the associated risk.

a) Significant terms and conditions

There are no significant terms and conditions associated with the financial instruments that may affect the amount, timing, and certainty of future cash flows.

b) Interest rate risk

HQC is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates. HQC does not have any long-term investments that may be affected by market pressures.

HQC's receivables and payables are non-interest bearing.

c) Credit risk

HQC is exposed to credit risk from potential non-payment of accounts receivable.

Most of HQC's receivables are from provincial agencies and the federal government; therefore, the credit risk is minimal.

d) Fair value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Accounts receivable
Accounts payable
Payroll liabilities

8. Budget

These amounts represent the operating budget approved by the Board of Directors.

9. Pension Plan

HQC is a participating employer in the Capital Pension Plan, a defined contribution pension plan. Eligible employees make monthly contributions of 6.35% of gross salary, which are matched by HQC. HQC's obligation to the plan is limited to matching the employee's contribution. HQC's contributions for this fiscal year were $202,884 (2010 - $179,048).

10. Contractual Commitments

As of March 31, 2011, HQC had the following commitments:

a) Office Rent

HQC has a lease for office space with Saskatchewan Opportunities Corporation (operating as Innovation Place). The lease has been extended to July 31, 2012. The monthly cost is $20,439, for the period of August 1, 2007 to July 31, 2012.

b) 3M

HQC has entered into an agreement with 3M to license risk assessment software for data analysis. The licensing agreement is effective from August 1, 2009 to July 31, 2014. The amount paid for licensing for the period of August 2010 to March 2011 was $75,319. The pricing schedule for the remaining time periods is:

Period	Licensing
April 2011 – March 2012	$ 77,578
April 2012 – March 2013	$ 79,905
April 2013 – July 2014	$ 106,678

www.hqc.sk.ca

Atrium Building, Innovation Place
241-111 Research Drive
Saskatoon, SK S7N 3R2 Canada
P. 306.668.8810
F. 306.668.8820
E. info@hqc.sk.ca